

**ASSEMBLY BILL**

**No. 274**

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**Introduced by Assembly Member Coto**

February 9, 2007

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An act to add Sections 17053.15 and 23615 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 274, as introduced, Coto. Taxation: credit: brownfield cleanup.

The Personal Income and Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would authorize a credit against those taxes for a qualified "brownfield" property owner for each taxable year beginning on or after January 1, 2007, in an amount equal to the costs paid or incurred to clean up a polluted brownfield property, as defined, to a satisfactory level, as evidenced by a written certification of completion, as defined.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 17053.15 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17053.15. (a) For each taxable year beginning on or after
- 4 January 1, 2007, there shall be allowed to a qualified "brownfield"
- 5 property owner as a credit against the "net tax," as defined in
- 6 Section 17039, an amount equal to the costs paid or incurred during
- 7 the taxable year to clean up a polluted "brownfield" property to a

1 satisfactory level, as evidenced by a written certification of  
2 completion.

3 (b) For purposes of this section:

4 (1) "Brownfield property" means a property as defined in  
5 paragraph (2) of subdivision (a) of Section 25395.20 of the Health  
6 and Safety Code.

7 (2) "Written certification of completion" means an evaluation  
8 by the Department of Toxic Substances Control of the effectiveness  
9 of a removal or remedial action conducted by a responsible party,  
10 to reduce or eliminate actual or potential public health and  
11 environmental threats posed by a hazardous substance release site  
12 if the action itself is not the subject of oversight by the Department  
13 of Toxic Substances Control.

14 (c) In the case where the credit allowed by this section exceeds  
15 the "net tax," the excess may be carried over to reduce the "net  
16 tax" in the following year, and succeeding years if necessary, until  
17 the credit is exhausted.

18 SEC. 2. Section 23615 is added to the Revenue and Taxation  
19 Code, to read:

20 23615. (a) For each taxable year beginning on or after January  
21 1, 2007, there shall be allowed to a qualified "brownfield" property  
22 owner as a credit against the "tax," as defined in Section 23036,  
23 an amount equal to the costs paid or incurred during the taxable  
24 year to clean up a polluted "brownfield" property to a satisfactory  
25 level, as evidenced by a written certification of completion.

26 (b) For purposes of this section:

27 (1) "Brownfield property" means a property as defined in  
28 paragraph (2) of subdivision (a) of Section 25395.20 of the Health  
29 and Safety Code.

30 (2) "Written certification of completion" means an evaluation  
31 by the Department of Toxic Substances Control of the effectiveness  
32 of a removal or remedial action conducted by a responsible party,  
33 to reduce or eliminate actual or potential public health and  
34 environmental threats posed by a hazardous substance release site  
35 if the action itself is not the subject of oversight by the Department  
36 of Toxic Substances Control.

37 (c) In the case where the credit allowed by this section exceeds  
38 the "tax," the excess may be carried over to reduce the "tax" in  
39 the following year, and succeeding years if necessary, until the  
40 credit is exhausted.

1     SEC. 3. This act provides for a tax levy within the meaning of  
2     Article IV of the Constitution and shall go into immediate effect.

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